

FEDERAL GOVERNMENT

SMALL BUSINESS DEFINED

A small business concern is one that is defined by the Small Business Act as "independently owned and operated, not dominant in its field, and whose size falls within the size standards established by the Small Business Administration."

How Do I Know Which Size Standard Applies To My Company?

Generally, the following are examples of some of the current SBA size standards. Criteria are stated either in number of employees or average annual yield taken over a three-year period:

<i>Manufacturing</i>	<i>500 to 1,500 Employees</i>
<i>Wholesale</i>	<i>100 Employees</i>
<i>General Construction</i>	<i>\$9.5 to \$17 Million</i>
<i>Special Trades (Construction)</i>	<i>\$7 Million</i>
<i>Services</i>	<i>\$3.5 to \$14.5 Million</i>
<i>Retail</i>	<i>\$3.5 to \$13.5 Million</i>
<i>Agriculture</i>	<i>\$.5 to \$3.5 Million</i>

SMALL DISADVANTAGED BUSINESS DEFINED

Minority businesses in federal procurement are called disadvantaged businesses. A small disadvantaged business is a small business that also meets the following criteria:

1. At least 51 percent-owned by one or more individuals who are both socially and economically disadvantaged.
2. A publicly owned business with at least 51 percent of its stock owned by one or more socially and economically disadvantaged individuals with its management and daily business controlled by such individuals.
3. *Socially* disadvantaged individuals mean individuals who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group without regard to their qualities as individuals.
4. *Economically* disadvantaged individuals mean socially disadvantaged individuals whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially and economically disadvantaged.
5. Individuals who certify that they are members of the following groups are considered to be socially and economically disadvantaged:

Black Americans
Hispanic Americans
Native Americans
(American Indians, Eskimos, Aleuts, or Native Hawaiians)
Asian-Pacific Americans
Subcontinent-Asian Americans

Small Disadvantaged Business (SDB) Certification

The certification process for a small disadvantaged business is the same as for a small business. It is a "self-certification" procedure. During the bidding or proposal process, the Representation and Certification Section of the solicitation asks specific questions concerning small business and small disadvantaged business status. Completing this section and signing the bid constitutes a self-certification.

WOMEN-OWNED BUSINESSES

Women are not considered minority or disadvantaged business owners in federal procurement unless they also fit the socially and economically disadvantaged criteria. There are always exceptions, four of which are:

The Department of Transportation
The Dept. of Energy's Superconducting Super Collider Project
NASA
The U.S. Agency for International Development (AID)

THE 8(a) PROGRAM

The Minority Small Business and Capital Ownership Development Program, better known as the 8(a) Program, is intended to provide federal government contracts and other assistance to small businesses owned and operated by *socially* and *economically* disadvantaged individuals. The specific types of assistance available to the 8(a) firm are: *financial, contractual, and management/technical*.

Eligibility Criteria

1. ***Small Business:*** An applicant must qualify as a small business as defined by SBA rules and regulations.
2. ***Ownership/Control:*** An eligible small business must be one which is at least 51 percent unconditionally owned and controlled by an individual or individuals who are citizens of the United States and who are determined by the SBA to be socially and economically disadvantaged. If the firm is a partnership, then 51 percent of the partnership interest must be owned by individual(s) determined by SBA to meet the social and economic disadvantage criteria. The same holds true for a corporation. At least 51 percent of the voting stock and the total of all outstanding shares of stock must be held by socially and economically disadvantaged individuals.
3. ***Potential for Success:*** Program applicants must demonstrate that they have the potential to perform governmental contracts and succeed in the 8(a) Program. This demonstration includes the areas of technical, managerial, and financial ability. There must also be a demonstrated potential to succeed in the private sector after the firm graduates from the 8(a) Program.

Are All Small Businesses Eligible for the 8(a) Program?

NO. Brokers, packers, franchisers, and non-profit organizations are not eligible for the program. Neither are firms owned by other disadvantaged concerns eligible. Also, debarred or suspended persons or companies are not eligible to apply.

How Do I Apply for the 8(a) Program?

Applications for the 8(a) Program are available from the SBA District Office in Atlanta. The SBA District Office presents an 8(a) workshop on a regular basis (monthly or bi-monthly) at the District Office in Atlanta. For information, call (404) 331-0100, ext. 501 or 502 (SBA's web site - www.sba.gov). An application package consists of a number of forms and documents. Included are eligibility statements, financial statements, business history, organization charts, and numerous other supporting forms.

For more information of the 8(a) program visit the SBA's web site www.sba.gov/sdb

STATE GOVERNMENT

The state of Georgia purchases most of its goods and services in a fashion similar to that used by the federal government. Individual state agencies, colleges, and universities have limited purchasing authority that allows them to buy specific items and services in support of their continuing missions. Most high use, common, bulk items, such as trucks, automobiles, office supplies, food, books, pharmaceuticals, aircraft, insurance, appliances, and more, are bought by the Department of Administrative Services' State Purchasing Office. Georgia's state authorities and commissions are exempt from the laws requiring that purchases be made through the State Purchasing Office.

SMALL BUSINESS DEFINED

- A small business is generally defined as one that:
- is independently owned, operated, and controlled;
 - employs less than 100 people; and
 - has annual revenues less than \$1 million.

MINORITY BUSINESS DEFINED

A small business, independently owned, operated, and controlled (51%) by a member of a minority race; a partnership of which a majority of interest is owned by one or more members of a minority race; or a public corporation of which a majority of the common stock is owned by one or more members of a minority race. A minority is defined by the State of Georgia Purchasing Law as an individual who is a member of a race which comprises less than 50 percent of the total population of the state of Georgia. Specifically, this includes:

***Black Americans
Hispanic Americans
Asian Americans
Native Americans***

CERTIFICATION PROCEDURES

Small Business

There is no formal state certification program for Georgia small businesses. There is, however, a need to register your company with the State Purchasing Office and get on their "bidder's list." This can be done by visiting a local University of Georgia Business Outreach Services/SBDC office and picking up a State Bidder's List Application which should be completed and sent to (also, you may call the number below to request a package directly from DOAS):

Georgia Department of Administrative Services (DOAS)
200 Piedmont Avenue, Suite 1620; Atlanta, GA 30334; 404-656-6315

Minority-Owned Businesses/Disadvantaged Business Enterprises

As a minority or disadvantaged business, you can apply for certification with the state. The process is simple. You will need to complete the form entitled, "Application for Certification as a Minority Subcontractor and/or Minority Business Enterprise," which is part of the State Bidder's List Application package. Georgia minorities certified as a minority sub-contractor are entitled to participate in the Georgia Income Tax Incentive Program.

For more information please visit the SBA's web site www.sba.gov